

heads we anticipate a large increase in expenditure of Rs. 51,500 over the budget estimate of Rs. 11,45,300 under 'Public Works' mainly on account of the Mattancheri Water Supply Scheme. The reasons for these several variations having been detailed in the explanatory Memorandum, I do not propose to take up the time of the House by traversing the same ground again.

Thus, if we regard the results as a whole, I hope that it will be admitted that strict economy has been enforced in all departments. No doubt, some of our friends may point out that we have not made provision for those subjects in which they are specially interested; but there can, however, be no difference of opinion that it is better to err on the side of caution, that it is better to have a budget which leaves us some balance on the right side than a budget with a deficit, since the additional balance in reserve will enable the Government to be prepared for any rainy day.

With the additional income and the savings in expenditure, we expect to close with a surplus of Rs. 5,05,300 thus raising the net surplus to the credit of the State from Rs. 48,24,146 at the beginning of the year to Rs. 53,29,446 at its close.

I shall now pass on to our programme of receipts and expenditure for 1103 M. E.

BUDGET ESTIMATES OF 1103.

For 1103, revenue is estimated at Rs. 75,21,400, i. e., Rs. 1,57,000 more than what is now anticipated for the current year and for expenditure, Rs. 73,63,300 is provided which is Rs. 5,04,200 in excess of the revised estimate of the current year. The transactions of the year are thus expected to result in a surplus of Rs. 1,58,000.

RECEIPTS.

Coming to details, the heads under which substantial increases in revenue over the receipts of the current year are anticipated are 'Interest', 'Forests', 'Tobacco', 'Public Works' and 'Education'. The increase of Rs. 1,11,700 over the revised estimate of Rs. 1,67,800 expected under 'Interest' is to be attributed chiefly to the anticipated realisation of the interest with arrears on the loan advanced to the Sitaram Company and to the possible additional investments. The improvement under 'Forests' (Rs. 85,200) is chiefly due to the fact that larger quantities of timber are proposed to be sold in the coming year. As

hinted by me last year, the Government are now seriously making every effort to bring down all the available marketable timber from the area tapped by the Tramway and they are assured that this will bring an enhanced revenue next year on account of their larger sale. On account of the higher rentals secured at the auction sales the revenue under 'Tobacco' is expected to exceed the revised estimate of Rs. 2,31,900 by Rs. 37,000. The increase in revenue of Rs. 20,100 over the revised estimate of Rs. 2,00,300 under 'Public Works' is mainly due to the anticipated larger receipts under 'Water Works' and 'Ferries'. The receipts under 'Education' are fixed at Rs. 3,28,500, i. e., Rs. 16,300 in excess of the revised estimate chiefly on account of fresh admissions and of additional divisions of classes.

Against these increases, the revenue under 'Customs' is fixed only at Rs. 8 lakhs—Rs. 1,23,200 less than that of the current year. Though a sum of Rs. 9,23,200 was no doubt realised under this head during the current year on account of the increased receipts under the Interportal Trade Convention, only a smaller amount is anticipated next year based on the average of the last few years.

Before leaving the subject of receipts, I think that it will only be in the fitness of things, if I briefly advert to a point urged by some of the non-official Members of the Council. It has been pointed out that no licensing fees for fishing stakes should be levied. Fishing stakes are, for all practical purposes treated just like landed property, and if it is decided not to collect any rent on these stakes, then there will be no justification for levying any revenue in respect of the other items also, viz., rent on inland fishery, rent on minor fishery, etc. It would appear that the State control over the back-water fisheries, dated from 939 M. E., and that it was customary to levy a small assessment on the fishing stakes licensed. This amounted to Rs. 3,000 per annum in the pre-settlement days, the rates at which the rent was charged being with due reference to the facilities for catching fish and the yield from each stake. In 1085 M. E., when the Fishery Department was first organised, the fishing stakes were re-classified into 3, with enhanced rates on account of the rise in the value of fish produce. In 1092, with a view to secure better control over fisheries, the Fisheries Regulation III of 1092 was passed and rules were framed under the same. Provision was made in these for legalising the levy of rent that was being collected for a long time past. Viewing the question from all its aspects, I hope, that the House will agree

with me that the imposition of the tax is justified and that there is no reason to waive the same now.

EXPENDITURE.

Turning next to expenditure, I must reiterate that the Government have subjected the budget proposals of the Heads of Departments to a very close scrutiny and the Standing Finance Committee of the Council have also closely scrutinised the several items fixed by the Government. The total expenditure, according to the proposals received, came to Rs. 76.37 lakhs and these have been reduced to Rs. 73.63 lakhs, I must say, without in any way starving the services or allotments essential to the moral and material development of the State and the people.

For next year we are budgetting for an expenditure of Rs. 73,63,300 or Rs. 5,04,200 in excess of the revised estimate of the current year.

I shall now briefly deal with some of the salient features of the budget estimates which call for special comment.

Land Revenue.—The budget estimate for 1928 is fixed at Rs. 2,25,100 and falls short of the proposed revised estimate by Rs. 11,700 mainly due to the absence of any large provisions under 'Temporary Establishment' and under 'Petrol and accessories to the Fishery Motor Boat' which included the cost of a motor boat purchased this year.

During the last Session of the Council the Fishery Administration of the State came in for a good deal of criticism and a resolution was passed recommending the investigation of the question of Fishery Administration and for taking suitable steps for developing the fishing industry. Government are carefully considering the question. When the scheme materialises, the allotment required will, if necessary, be applied for in the course of the year.

Agriculture and Panchayats.—There seems to be a misconception that the State is not giving adequate grants for the development of Agriculture. This, I am afraid, is because the contribution of the Government is judged solely with reference to the budget grant under 'Agriculture.' The four lakhs odd of working capital possessed by the Central Bank which is largely made up of loans from Government and investments of security amount of Government and other officers at low rates of interest is also an item which has to be taken